
Procurement News – Near and FAR

Summer 2002

Introduction

Welcome to the Summer 2002 edition of Treasury's Procurement News - Near and FAR.

This issue highlights the benefits and challenges of the purchase card program. It has a great article regarding the Small Business Development awards presented recently. And it includes information on the JWOD program and updates the key features of TADS and CPS.

Our next edition will be published in the Fall. Please contact Mary Lou Alderman with suggestions or submissions at: mary.lou.alderman@do.treas.gov.

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THE DIRECTOR'S CORNER



**By Corey Rindner,
Procurement Executive**

As it was last summer, the glare of the Congressional spotlight is once again on the SmartPay purchase and travel card programs. The investigations last year focused on DoD organizations; this year civilian agencies are also being examined. This, then, seems like a good time to reflect on the purchase card program, its managers, and its benefit to Treasury.

Over the past three fiscal years Treasury purchase cardholders have bought more than \$490,000,000 in goods and services in a total of 1,698,000 transactions. Without the purchase card, these transactions would have come to our procurement offices as small dollar buys and taken hours of time from our highly trained and skilled contract specialists. Just in terms of dollars that would have been spent in writing purchase orders and paying individual invoices the cost avoidance associated with the purchase card is set at over \$91,000,000. And if that isn't enough, Treasury has received \$995,000 in rebates from Citibank for our volume of business and our good quick payment record.

Many of the bureau level purchase card program coordinators are located in our procurement offices. They open and close accounts, train cardholders, and keep a constant eye on cardholders' compliance with regulations. It's hats off to them for the fine job they are doing!

But with this acknowledgement of their efforts comes the challenge to stay vigilant to protect the great asset we have with the purchase card. Congress and the Office of Management and Budget (OMB) have asked all agencies to reexamine their purchase and travel card programs to find ways to tighten management controls to ensure appropriate and efficient use of the cards. The Office of Procurement, as part of the Treasury Office of the Deputy Chief Financial Officer, is committed to meeting this challenge and will continue its work with the bureau coordinators to identify and implement "best practices" for the purchase card program.

OFFICE OF SMALL BUSINESS DEVELOPMENT

Treasury's Office of Small Business Development Awards & Rewards



by Dan Sturdivant

When last I wrote, I discussed the ability of our office to leverage technology with interpersonal skills, in an article entitled "High-Tech/High-Touch". That article received government-wide acclaim and was featured in the April edition of the Federal Times news publication. Since that article, Treasury's Office of Small Business Development, has had the opportunity to effectively illustrate and demonstrate its "High-Tech/High-Touch"

philosophy with "Awards & Rewards" respectively.

The week of April 22, 2002, was officially designated as "Treasury Small Business Week" by our Office of Small Business Development. The week began with the OSDBU Directors Conference, in Upper Marlboro, Maryland. Treasury is the "lead" agency for this conference, the largest, one-day, conference in government, and includes, along with 1 ½ days of small business training, our annual Treasury Small Business Awards Ceremony.

To celebrate our program's success, which means all those individuals who make the program what it is, we give awards to those individuals who have made a significant contribution during the preceding year. Those awards, a total of twenty-two in all, went to the following:

- Bureau Chief Procurement Officer Group Award (for another banner year in exceeding Treasury-wide goals)
- Bureau Small Business Specialist Group Award (for another banner year in exceeding Treasury-wide goals)
- SBA Assistance Award – Kyle Groome (SBA Resident Procurement Center Representative assigned to Treasury)
- Small Business Prime Contractor Achievement Award (The Office of Small Business Developments 40% Club) – ATF (68%.1); FLETC (52.2%); FMS (44.9%); and Customs (41.3%)
- Small Minority Business Prime Contract Achievement Award (the 20% Club) – ATF (29.2%); FMS (29.1%); Customs (23.6%); DO (22.2%) and OCC (20.2%)
- Women-Owned Small Business Prime Contract Achievement Award (the 10% Club) – ATF (16.7%); BPD (12.8%); and DO (10.8%)
- Small Business Subcontracting Achievement Award (the 50% club) – USSS (75.0%); FLETC (65.0%); FMS (53.9%); OTS (52.0%); and Customs (50.0%)

- Landmark Achievement Award – U. S. Mint (\$114,431,000 in small business prime contract dollars)
- JWOD Support Award – BEP/Larry Felix
- HUBZone Support Award – ATF (\$9.7m), IRS (\$6.3m), and FLETC (\$5.8m)
- SDVOSB Support Award – ATF (\$7.0m), IRS (\$2.3m), and DO (\$1.0m)
- Outreach Commitment Award - Jodie Paustian (IRS) and Tony Bell (IRS)
- Program Innovation Award - Woody Hall (Customs)
- Procurement Management Award - Linda Barrett (IRS)
- Program Manager Support Group Award – Robert Hughes (ATF); James Downes (DO); Dwight Locke (DO); Tom Freeman (USSS); and Jimmy Jones (OCC)
- Program Manager of the Year – Pat Alvarado (IRS)
- Small Business Partner of the Year - Cool Harbor Motel (nominated by Customs)
- Large Business Partner of the Year – Prudential Relocation (nominated by USSS)
- Mentor-Protégé Team of the Year – KPMG/GAITS and KPMG/MPCC
- Bureau Management Award (for consistently exceeding small business goals) – USSS
- Small Business Advocate of the Year – Jeff Stephenson, BPD
- Small Business Leadership Awards (presented to one or more individuals showing extraordinary small business leadership) – Jim Flyzik and Steve App.

While twenty-two awards may seem like a lot, everyone who received one, made our program the success that it was in FY-01. That success

manifested itself in Treasury's Office of Small Business Development being recognized & receiving two very prestigious rewards from the Small Business Administration.

The first award was the Frances Perkins Vanguard Award. For an unprecedented second year in a row, Treasury was recognized for its excellence as a buying activity for its utilization of women-owned small businesses as prime contractors, subcontractors, and suppliers. The criteria for this award included leadership, advocacy, innovation and implementation.

The second award, the Gold Star Award, recognizes the exemplary performance of the Federal personnel within the Office of Small and Disadvantaged Business Utilization. Kevin Boshears, Director, Treasury Office of Small Business Development, was recognized as the individual who is primarily responsible for the aggressive goals, strategies & initiatives which ensured that small businesses played a role in the Federal market place. In addition, any Federal department or agency that had a Gold Star Award winner, also received an Agency Goaling Award of excellence, which signified making all SBA established goals, for three consecutive years!

The successful program at Treasury, which combines teamwork, an innovative approach and loads of gratitude, has allowed us to reap rewards while giving awards to those who make it happen everyday!

THE JAVITS-WAGNER-O'DAY (JWOD) PROGRAM



by Jody Falvey

The Javits-Wagner-O'Day (JWOD) Program, which provides employment and job training for people

who are blind or have other severe disabilities, celebrated 30 years of service in 2001. The theme was "JWOD Works for America". The theme addressed the need to increase independence and self esteem by helping these individuals enjoy full participation in their community and market their JWOD skills into other public/private sector jobs.

All of the Treasury bureaus participate in contracting with many JWOD organizations, but the Bureau of Engraving and Printing (BEP) has the honor of being recognized as the first "off-site" work location for one of our local Community Rehabilitation Program (CRP) offices, SOC Enterprises. In 1981, the BEP gave them the opportunity to expand their services by operating BEP's mail order sales and packaging program in Washington, DC. The total annual contract value was about \$42,000 and employed 13 people.

That year SOC purchased their first computer and moved into the former Nellie Custis School in Arlington. They had a staff of 18 and no job placement or supported employment program. Today SOC provides program services in four areas:

- Facility Based Employment
- Community Based Employment
- Individual Placement and Supported Employment
- Temporary Assistance to Needy Families (TANF) Welfare to Work

Services provided by SOC include job development/placement, OJT skills training, Work Habits Training, Community Skills Training and Follow Along Services.

SOC's mission is "To assist, empower and support people with disabilities to achieve employment; independence and integration in the workplace and community".

In FY2001 SOC served 235 individuals, paid \$2.42 million in wages and benefits to people with disabilities, and placed 12 individuals into competitive employment. Currently the average

consumer wages for their "off-site" group employment is \$8.78 per hour.

For many years SOC has specialized in administrative services including: printing, copying, binding, mailing, packaging, logistics, file maintenance, list management, and data processing. They have become an outsource specialist in this line of business. SOC now supports 12 federal agencies including mission critical administrative services to BEP, ATF, Army Corp of Engineers, Army Material Command Headquarters, U. S. State Department, Federal Trade Commission, General Services Administration, and several others.

This year that \$40,000 BEP contract has annual sales of \$954,000 and employs 24 individuals, including 2 managers and 2 supervisors. SOC operates mailrooms in 3 locations, distribution centers in 2 locations, visitors/mail-order sales in 2 locations, document processing in 2 locations, and a copy center. Approximately 85% of their business is government with the remainder being commercial contracts. The BEP operation also developed the E-mail ordering capability recently. This will soon expand to include an additional three people when they begin operation of BEP's vault storage area

SOC is also very proud of their association with the Bureau of Alcohol, Tobacco and Firearms. They operate a 21,000 sq. ft. distribution center on behalf of ATF. The relationship was established in 1985 and has grown to a state of the art distribution center operating a full service warehousing, data entry, and fulfillment operation, now incorporating E-mail ordering.

SOC prides themselves in finding niche markets that are difficult for business and government. They seek out high skills work with demanding quality expectations, and have recently put in place a balanced scorecard, a strategic performance system intended to help SOC achieve breakthrough performance. They now use indicators such as information on customers, financial performance, internal business processes and learning and growth to align their activities and performance measures with their strategic objectives. The last word is "What gets measured gets done".

Community Rehabilitation Program offices such as SOC can provide a variety of services to all twelve bureaus. The Committee is responsible for maintaining a Procurement List of products and services which have been placed in the JWOD Program, and that list can be found at:

http://www.jwod.gov/jwod/p_and_s/p_and_s.htm.

Once a product or service is on the Procurement List, the Government must buy it from the organization designated by the Committee until the Government no longer has requirements for that item, or until a nonprofit agency employing people with severe disabilities can no longer furnish that item.

SOC Enterprises has been showcased as an example of how JWOD organizations can shine, if only given the opportunity!

If you have any questions, please email me at jody.falvey@do.treas.gov or call me at (202) 622-2826.

ELECTRONIC COMMERCE NEWS

Treasury Acquisition System Update

by Lou Masciocchi

The 2002 web version of TADS has been up and running since last fall. It's a great improvement over the previous client-server version. Here's where we are to date on implementing key features of TADS:

ICAR - HHS has made some improvements to the web interface, e.g. fields can be filled in directly or by using various lookup or selection lists, and an advanced search screen for correcting batch load error records. You can now save ICARs in draft, and complete them later. The on-line HELP feature is also available.

Reports - All of the report formats, except for the two specialized SF-295 reports, have been rolled over from the previous version. Currently, the Office of Procurement has a stand alone report application (Oracle Discoverer 4), for running ad hoc reports directly from the TADS database. If you need a special report that's not in the Query Report screen, just let me know. HHS plans to upgrade this with a web browser version (Oracle 9iAS) ad hoc report application that will be available to all TADS users by the end of this fiscal year. Training will be provided to those interested after the new tool is deployed.

SF-295, Summary Subcontracting reports -We ran into some problems with getting the FY2001 SF-295 input form rolled out. FPDS was late in issuing the new format. This caused us to do some workarounds to get all of the records input, particularly those with subcontracting amounts for Veterans Owned Small Businesses and Service-Disabled Veterans Owned Small Businesses. HHS at this writing is developing a separate module to collect both SF-294 and SF-295 reports directly from contractors with subcontracting goals and report requirements. Affected contractors would be sent notices and provided access to the system to complete the report forms on-line. Contracting Officers simply monitor the contractors compliance and retrieve the data. Deployment is expected before the end of CY2002.

Computer Based Training (CBT) - We are working on developing a computer based training (CBT) course for TADS, using IRS's new "School of IT E-Learning Portal," which features a multitude of IT courses for all Treasury users. We hope to have it finished and deployed this summer. These courses are easy to use, with interactive quiz questions to test your knowledge, and are available anytime day or night.

Future features - HHS is working on the development of an "electronic portal" capability for TADS (and the HHS, Dept. of Transportation versions), that would automate the transfer of reportable data for ICARS, SF-281, etc., directly from a contract writing system to the TADS

database. This eliminates the need to log into to more than one system to complete these forms or to upload data using the batch process. Essentially, each contract record, task order, mod, etc. would be processed and validated within the contract writing system environment and once completed, saved to the database in real time.

I'll keep everyone posted on developments. If you have any questions, feel free to call me at (202) 622-6585 or drop me an e-mail at: louis.masciocchi@do.treas.gov



by Lou Masciocchi

For the second year in a row, the NIH Contractor Performance System is a finalist for the "2002 Business Solutions in the Public Interest" award, sponsored by the Council of Excellence in Government and Government Executive magazine. CPS contains thousands of contractor performance evaluations from various subscribing agencies for use in making negotiated contract awards. Treasury has contributed over 1000. Eventually, CPS will be joined by NASA's and DoD's contractor performance systems in a government wide shared repository.

In April 2002, NIH deployed the long awaited, new and improved version of CPS.

The new site is much easier to learn and use and features:

- Easier login (roled-based, incl. guest login)
- Menus and Tabs for faster navigation
- Easier form validation
- Improved printing
- Save in draft
- System notification to CO when COTR completes evaluation
- Complete control for CO over all evaluations, regardless of assignment
- CO's can re-assign evaluations to contract specialists, COTRs and reviewers

- Pre-loaded FPDS/Dun& Bradstreet contractor info (less typing)
- Simple and advanced, key word searches

We are also working on developing a computer based training (CBT) course for CPS, along with TADS, using IRS's new "School of IT E-Learning Portal." Also, to come later this year are CPS reports, and the evaluation format for Architect-Engineering contractors.

To review the regulatory requirements for collecting contractor performance information, the FAR language from Part 42.1502 requires that **any contract** (except for contracts with UNICOR (Federal Prison Industries) and JWOD), regardless of type and method of award have "...an evaluation of contractor performance (prepared) for each contract in excess of \$1,000,000 (regardless of the date of contract award) and for each contract in excess of \$100,000 beginning not later than January 1, 1998 (regardless of the date of contract award), at the time the work under the contract is completed. In addition, interim evaluations should be prepared as specified by the agencies to provide current information for source selection purposes, for contracts with a period of performance, including options, exceeding one year." Typically, contracts with multiple option years should have annual performance evaluations prior to exercising each option. Contracting officers are not limited to such things as competition and market conditions as the only "factors" to consider. In a way, options are like new contract awards, and past performance may be included as a factor in making that award. You don't need to individually evaluate each contract action, (delivery/task order, mod) over \$100,000. As the FAR language states, the "contract" is what you are evaluating. If, for example, you have ten orders, mods, etc., written under a single contractor's GSA Schedule or BPA, or another agency's contract (e.g. SEWP II), in a single year, you only need to do one evaluation for that basic "contract". However, if you have, e.g. task orders of differing types of work for the same contractor/same contract, with differing labor mixes, work sites, programs supported, etc., you may want to do separate evaluations, using programs/projects or sites as your basis.

DTAR UPDATE

by Angelie Jackson

The DTAR Update was issued in June. It is current through Federal Acquisition Circular 2001-07. OPE appreciates the feedback and comments from the bureaus. Along with the regulation, OPE issued Acquisition Bulletins (ABs). ABs are former Procurement Instruction Memoranda (PIMs) and new information. The information is posted on OPE's website, see AB 02-02 for an explanation of the new information dissemination system.

In the past, procurement information and DTAR changes were issued via the PIM system. In an effort to provide better customer service, in the future we will issue procurement information via numbered ABs and DTAR changes via numbered Acquisition Circulars.

FROM THE PROFESSOR'S DESK



by Ronne A. Rogin

ACQUISITION ROTATIONAL ASSIGNMENTS:

A Federal and Local Government Success Story

As everyone knows, experience is the best teacher. The Federal Procurement Executives' Council (PEC) inaugurated an Acquisition Rotation Program to broaden the experience of midlevel procurement personnel without the need to change jobs. The first beneficiaries of the program are DO and Fairfax County Public Schools (FCPS). It is a textbook success story.

For the past couple of years, FCPS had been considering improvements in how they purchased school buses. While they had been buying large quantities of buses virtually every year, they had

varying results. Some buses were delivered with specification problems, there were delays in deliveries and many bus drivers and mechanics were unhappy with various aspects of the buses. FCPS also realized that they were basing contract award decisions on a low bid basis that ignored the total cost of ownership. While FCPS was able to identify the problems, they lacked experience in implementing alternate approaches such as best value and total cost of ownership procurements.

Dean Tistadt, the Assistant Superintendent for the Department of General Services, and Corey Rindner, our Procurement Executive and head of the PEC's Acquisition Rotation Program, discussed the potential benefits of a rotational assignment to both organizations. It was agreed that I would contribute my experience in best value procurement and total cost of ownership contracting in exchange for gaining experience in municipal procurement methods and logistics contracting. In a future rotational assignment, Lee Ann Pender from Mr. Tistadt's staff will participate in a Federal contracting action to gain experience in Federal contracting methodologies in exchange for sharing her experience in a particular procurement area.

The keys to the success of the procurement were a team approach, comprehensive market research, involvement of the suppliers, and a "fly-before-you-buy" methodology. Drivers' and mechanics' opinions were sought on features that would make their jobs easier. This was an important element in developing a best value scenario that would allow for cost vs. technical tradeoffs. My initial introduction to the customer team started off with a potentially disastrous question: the assembled drivers, mechanics and procurement personnel wanted to know the extent of my experience in procuring school buses. I had to admit that I'd never purchased a bus; however, but that I'd driven one for over 10 years while teaching school. They immediately offered me a job and a signing bonus. More importantly, it opened up communications because they knew I was familiar with the buses and their problems.

The solicitation incorporated several innovations. Best value tradeoffs were incorporated for the first time. Evaluated options were used to price future modifications that would increase driver satisfaction and enhance maintainability. All of these features were included in a total life cycle cost model that showed the impact of including and excluding options. The procurement was structured as a multi-year contract subject to future funding by the County. This eliminated the need for future annual procurement actions.

One of the most intriguing ideas was the "fly-before-you-buy" concept. As part of the technical evaluation, manufacturers were encouraged to provide sample buses incorporating the various proposed features. These sample buses were then test driven by top Virginia school bus drivers at the annual Fairfax County School Bus Drivers' "Rodeo" held at a local high school. Drivers' evaluations and comments were then provided to the evaluation team as part of the source selection.

The entire process represented an enormous cultural change for all of the parties. Up until this point, all bus contracts were sealed bids and only for one year at a time. The FCPS team held a preproposal conference to explain the new approach to all of the bidders.

Last September, FCPS awarded its first multi-year, best value school bus contract. The contract is a tribute to the County's spirit of innovation, the teamwork of the drivers, mechanics, procurement professionals, suppliers and a novel Federal/Municipal program to enhance the skills of the acquisition workforce.

CARD SERVICES

Once again, a Treasury bureau is featured in the Citibank Government Card Services newsletter for "leaning into the wind" in implementing electronic systems in their card services program. Read all about the great strides being made at the Office of the Comptroller of the Currency.

<http://www.citibank.com/e-business/homepage/citimanager/gcshome.htm>

Select "Governemnt Services" newsletters, Spring 2002

PURCHASE CARD TRAINING

Do you need a training program for your purchase cardholders? Are you revising your purchase cardholder training or policy document? Check out the GSA web site for a good basic training product. Go to www.fss.gsa.gov/services/gsa-smartpay. Look under Index for the GSA SmartPay Web-based Training, Purchase Card Program. It will need some augmentation to cover DTAR, Small Business and environmental issues, but it's a GREAT place to start.

WHAT'S UP IN THE BUREAUS

TREASURY INTERAGENCY AGREEMENT (IA) WORK GROUP

by Angelie Jackson

The Treasury IA Work Group, co-chaired by Carolyn Golden and Tom Thompson, completed their work on May 1, 2002, with the release of the Treasury Payable Interagency Agreement Guide. Carolyn is the Customs Procurement Division's Administration Advocate, currently on detail to the SAP Implementation Team; Tom is the Customs Procurement Section Chief for Mission Support.

The Treasury Payable Interagency Agreement Guide standardizes Treasury-wide policies and procedures related to the preparation, processing, coordination, execution, administration, and close-out of Payable (funds out) Interagency Agreements (IAs). Reimbursable (funds in) IAs are thoroughly covered by the "Reimbursable Handbook" in the Treasury Strategic Manual, but this is the first time that Treasury will have department-wide Payable IA procedures.

The Bureau Chief Procurement Officers chartered the Work Group in 2001 to look at issues and

questions surrounding Treasury's IAs. Procurement and finance staff from 11 Bureaus collaborated in the activities listed below that concluded with the approval and publication of the guide.

- Researched legal statutes, regulations, GAO's *Principles of Federal Appropriation Law* (especially Volume IV), and procedures for information/requirements for IAs.
- Benchmarked other agencies' procedures.
- Gathered information on procedures, policies, form requirements, statutory authorities, approval levels, etc. from the Treasury Bureaus.
- Narrowed the focus to Payable IAs, since Reimbursable IAs are covered in existing procedures.
- Agreed to maximize use of option years.
- Requested, and obtained through Procurement Instruction Memorandum 01-06 (dated August 8, 2001), a change to the Department of Treasury Acquisition Regulation to require a Determination and Findings to be created only for Economy Act Payable IAs, rather than for all Payable IAs.
- Compiled minimum Payable IA form components.
- Compiled recommended samples of Economy Act Determination and Findings, Terms and Conditions, and Analysis of Alternatives (including cost/price analysis).
- Researched OMB Circular A-76 and Treasury Directive 22-01, "Performance of Commercial Activities," implications for IAs.

Major recommendations reflected in this guide include:

- Procurement offices are not required to participate in preparing Reimbursable (funds in) IAs. In many Bureaus, Procurement is not

involved now. Note: Proposed changes to the OMB Circular A-76 and the Federal Acquisition Regulation may affect these recommendations in the future.

- Signature levels should be at the lowest level possible commensurate with the purpose, scope, and dollar amount of the Payable IA. For example, sometimes the Bureau Head is the appropriate level; sometimes the approval level is required by statute.
- Minimum form requirements are listed. Samples of Terms and Conditions, Determination and Findings, and Analysis of Alternatives are included.

Steven App, Treasury's Deputy Chief Financial Officer, and Corey Rindner, Treasury's Senior Procurement Executive, strongly encourage bureaus to follow the uniform guidance and recommendations regarding preparation, processing, and administration of Payable (funds out) IAs. They requested that the Bureaus immediately distribute this guide to procurement, financial, and program offices. It will also be available on the Treasury Intranet at intranet.treas.gov/procurement, with planned links to related sites.

The Group hopes that each bureau will quickly make required decisions, incorporate changes into their own guide or policy, and ensure that the bureau's IA form includes all of the minimum requirements.

The Office of the Procurement Executive commends the Work Group for developing a document to standardize a "Treasury" process.

Kudos are necessary for the wonderful team that worked this effort from concept to final guide. We would like to take time to recognize some of the members of this work group, who attended most of the meetings and were invaluable resources: Tom Thompson, Customs; James Burleson, Carol Bryant and Debbie Devault, Departmental Offices; Miriam Polan and Bonnie Schmidt, IRS; Joyce Pruitt, ATF; Robert Petrosky, Secret Service; Karen Galloway, OCC; Marvin Rue,

BEP; Sandy George and Denise Hofman, Public Debt; and Steve Watters, FLETC.

AT ATF

Contract Bundling... A Good Thing AND a Small Business Opportunity?

by Efrain J. Fernandez and Jackie Barber

In recent years "contract bundling," which was originally considered a good thing because of efficiencies that could be realized by consolidating similar requirements, has gotten bad press. Many lawmakers and small business advocates believe that contract bundling creates requirements too large for small businesses to handle and therefore precludes them from competing with large businesses. There is no doubt that bundling similar requirements maximizes efficiency by reducing contract management costs and the price of a product or service. Bundling may even improve the quality of the deliverables, but we believe that it can also provide opportunities for small businesses that would otherwise take years to realize.

Small businesses are the foundation of our nation's economy and should be afforded opportunities to compete; however, opportunity should be balanced with Government efficiency. This is a delicate balance, but the Bureau of Alcohol, Tobacco and Firearms (ATF), a Treasury Bureau, has managed to do this. Not only has it exceeded most of its socio-economic goals year after year, but has done so in synergy with the Bureau's mission and realized great efficiencies.

So which is it? Is contract bundling a good thing or a bad thing? We believe that it's a good thing if done correctly.

Early in 2002, ATF awarded a 5-year, \$50 million software maintenance contract to an 8(a) Partnership. This contract not only bundled similar requirements, but was also a competitive set-aside under SBA's 8(a) program. It was also performance-based and incorporated a cost-plus

award-fee incentive to reward the contractor for exceeding performance standards. Although the uniqueness of this contract type is worthy of its own article, we'll stick with bundling.

How did ATF do this?

Four main elements made this bundled 8(a) set-aside a success and probably the first of its type in federal procurement:

First—Assembling a Winning Acquisition Team. ATF's acquisition team included professionals from many disciplines who were strongly committed to the bureau's mission, the Nation's taxpayers, and supporting small business. The team included a core group and an expanded group. The core group was made up of the Contracting Officer (Craig Segall), the Small Business Specialist (Jackie Barber) and the Customer (Robert Hughes, Chief of the Information Services Division, ATF Office of Science and Technology), and later on in the process, the Contractor. The expanded team included others who were brought in early in the process like Finance, the end-users and Treasury Department Small Business Office. There were also strong champions, without whom this effort would not have been possible. Our strongest champions were William T. Earle (ATF's CFO), Corey Rindner, (Treasury's Senior Procurement Executive), and Kevin Boshears (Treasury's OSDBU).

Second—Early Acquisition Planning. Two years before the contract was awarded, the core team met to discuss the requirement. They tackled the problem with the end result in mind. They identified the desired outcome and salient parameters to which they would craft their acquisition: maximizing efficiency, use of performance-based elements, incentives to reward high-quality performance and small business participation.

Third—A Strong Partnership Among Acquisition Team Members and Between the Team and the Contractor. In order for this to have worked, all parties including the Contractor

(once selected) had to be on-board with the goals and objectives of the acquisition. Without full commitment from all parties and an equal stake in the outcome, this would not have been possible.

Fourth—A Well-Defined Requirement. ATF's Information Services Division supports the Bureau's mission by identifying and making available state of the art hardware, software and communication technology, and by ensuring the efficient sharing and easy retrieval of information. During the past 10 years, ATF's need for information systems that could support its national and international missions led it to develop, implement and support more than 70 different custom applications. Maintaining these systems functional and current with the latest technology had been a constant challenge. Maintenance support had been provided by eight 8(a)'s at any one time under time-and-materials contracts. This was costly and very time consuming for the technical and procurement staff, so consolidation seemed to be the solution. But, we were committed to keeping the requirement in the small business community, and hopefully in the 8(a) program, so we had to find a way to consolidate the requirement while making it available for small business participation.

Due to the potential impact on small business, FAR Part 7.107, Acquisition Planning, requires that the Head of the Agency conduct market research for actions involving bundling to determine whether it is necessary and justified (15 U.S.C. 644(e)(2)). Through market research we determined that bundling this requirement could yield substantial benefits and efficiencies through cost savings, price reduction based on competition, quality improvements, time savings, enhanced performance, reduction in acquisition cycle and better terms and conditions.

Since the scope of the combined requirement was much larger than seemed reasonable for most 8(a)'s, the acquisition team decided to promote *Treasury's Mentor-Protégé Program*. This program extends the capabilities and resources of small businesses (protégés) that establish such relationships with

large businesses (mentors) and enhances their ability to compete. Through this program, a protégé gains opportunities to seek and compete, and resources to perform government and commercial contracts through the guidance and support of their mentor—opportunities and resources that might otherwise not be available without this relationship. Protégés may receive technical, managerial, and financial or any other mutually agreed upon benefit from mentors, in addition to the revenue and experience that flows from a government or commercial contract through subcontracting or teaming arrangements. The Team believed that success would be directly proportional to the strength of the mentor-protégé partnerships and strongly encouraged its use, however, did not make it a mandatory so as not to limit innovation.

The RFP was released July 16, 2001, as a competitive 8(a) set-aside. Eleven proposals from qualified sources were received August 20, 2001, and evaluated. During the evaluation it became evident to the Technical Evaluation Team (TEP) that the caliber of proposals far exceeded their expectations. They were impressed with the innovation and efficiencies demonstrated by the protégés and their mentors.

The contract was awarded February 22, 2002, to Paradigm Solutions, Inc., an 8(a) firm (the protégé) who partnered with Lockheed Martin (the mentor) a certified CMM Level 5 contractor.

We immediately realized savings of nearly \$3 million per year in software maintenance costs alone. In addition, the maintenance process has been significantly streamlined by having only one program manager for the task, rather than eight. We also expect to receive benefit from the efficient use of the contractor resources, since they are now centrally managed.

Through a firm commitment to the Bureau's mission as well as to small business, a strong partnership with the acquisition team and the contractor, out-of-the-box thinking, good business practices and early planning, ATF thinks that it has

answered the question for now... contract bundling could be a good thing if done correctly. Stay tuned!

TRAINING AND CAREER DEVELOPMENT



TREASURY ACQUISITION INSTITUTE

TAI Supports Competitive Sourcing

by Donald Guy

In addition to providing over 80 first-class acquisition courses for Treasury/Federal acquisition professionals, the Treasury Acquisition Institute (TAI) has provided a significant level of support for President Bush's campaign to increase the use of competitive sourcing. Specifically, in FY 2002, TAI offered four Competitive Sourcing overview courses in order to provide a solid understanding of the process to key individuals who may potentially be involved in actual competitions. The overview courses were very well received. In addition to the overview courses, TAI has also contracted to offer five more specialized competitive sourcing courses that provide more detail about key steps/tasks within the process. These courses are: (1) How to Write a Winning Technical Performance Plan, (2) The Most Efficient Organization (MEO) Study Workshop, (3) How to Perform an A-76 Cost Comparison Using win.COMPARE², (4) A-76 Post-MEO Review Workshop and (5) A-76 Administrative Appeals Process (APP). These courses run from May 9th through August 1st and are filling up fast. If you are interested in registering for any of these courses, please call Diana Allison on the TAI staff at (202) 283-1674. TAI plans to

offer a series of first-class competitive sourcing courses in the FY 2003 TAI Training Catalog.

Meet Our Interns

ALLOW ME TO INTRODUCE MYSELF...

Hello, my name is Sharon Illig. I am currently employed at the Department of Treasury in the Procurement Intern Program. My first rotational assignment was at the Office of Thrift Supervision from May to September 2001. Upon completion of my first rotation, I was permanently assigned to the Bureau of Alcohol, Tobacco and Firearms.

Before working for the Department of Treasury, I spent ten years in the entertainment industry managing artists and executing contracts. I also worked for five years in the retail industry as a store manager.

I attended Clarion University of Pennsylvania from 1990 to 1994 and received a Bachelor of Science degree in Communications. Currently, I am enrolled at Northern Virginia Community College in the Acquisition and Procurement certificate program. I am also working toward a Master's degree in Business Management.

The Treasury Procurement Intern Program has provided me with incredible training and learning opportunities. Through outstanding mentoring and partnering, I have been able to meet my goals and strengthen my professional abilities as a contract specialist. My experiences at the Office of Thrift Supervision and the Bureau of Alcohol, Tobacco and Firearms have been challenging and rewarding. I am looking forward to future phases in my internship that will lead me into contract negotiations, contract administration and Information Technology acquisitions.

PEOPLE IN THE NEWS

We are very happy to announce that **Jeff Rosenfeld**, the BCPO at Secret Service, has recovered and returned to his post after having been hospitalized for some time.

Departmental Offices, Procurement Services Division, will be the new professional home for

Ernest Dilworth. He started work as the Division Director on June 17, coming back to Treasury from the U.S. Forest Service. Welcome!

VACANCY ANNOUNCEMENTS

For current Treasury vacancy announcements, visit <http://www.usajobs.opm.gov>